G. R. S. IX-5]

Previous references. 1893-94 ~~191~~ .

Later references. (Genl Finance

File No. 13—93

Serial Nos. 1610.

P 180

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1610.

Part B for

SUBJECT.

Winding up the Maharaja of Mysore Spinning and Manufacturing Company Ld, and the formation of a new Company and the calling of Shares in it by the Mysore Government.

Countermarked.

W D 1250—GPB—30,000 - 28-1-19

Mysore

Mysore

If I remember
right you were desired
to submit a confidential report
on the affairs of the
Maharaja of Mysore
Sperry & Colonel Mills
Mangalore - Kirby
Do you know whether
you have sent in the

(11)

(Spurgeon
Mysore

(147)

Mysore

If I remember
right you were desired
to submit a confd. report
on the affairs of the
Maharaja of Mysore
Spurgeon & Elton Mills
& Bangalore Kirby
let me know whether
you have sent in the

74

Report.

Jan 7 1865

Mrs Abigail A Blanding

Yes: I think I was asked when W. Timbos Chattin was acting as Sewan and if I remember what I did and a reply. The

correspondence was Do. I don't remember now what details I then sent you but my general impression is that the Mills are going from bad to worse and at that rate it will not take long for them to burst. If the Govt money is secure if the part of Mr Mills name being thereto nominally connected with them is not likely to affect injuriously our interests in the

money markets I would
let the mills follow
the natural law of
the survival of the
fittest Otherwise the
Govt ought to take
here and set things
right In what way
I cant suggest with
figures before me I
am forced to be one
of the Directors but I
must confess I have
not taken any active
part not being able
to spare the time for
it. The whole
thing is new to
me & I must confess

Do you know where
this report is?

Yours sincerely

T/S

My dear Sir

I have not seen the report alluded to herein - It is not in the file herewith subs. Yours truly
517/93

study the detail to
be able to do any
thing & the means
enormous time

Yours sincerely
Thayachar

Nagar
21st June 93

Urgent

Bangalore
14. 10. 93.

My dear Sir

I send you Enclosed a letter from P. Chrystal & Co of Bombay and a Draft Deed of Mortgage drawn up by them - The matter seems to be urgent

We all expected the Dewan here this morning - He has not come however

I have not heard from him today.

I trust everything is going off well.

If I come bompore later on this will be the first Dussaca I will attend.

Yours sincerely

K. Krishnaji

T. Ananda Rowbotham

GOVERNMENT OF MYSORE

8

Mysore
15th March 1894.

To,

Messrs P. Chuntal & Co

Agents, Mysore
Spinning & Manufac-
-turing Co Ld
Bombay

Gentlemen,

With reference to your
letter dated 22d Feby 1894 to

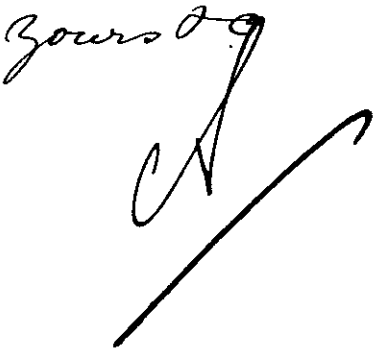
the address of the Dewan, intimating your having taken over charge of the Mill and requesting the ratification of certain terms therein alluded to I am desired to inform you that formal orders have been issued today regard-ing the same.

As regards your request in para 4 of the letter to permit you to embellish the Share Certificates of the Company with a likeness of the Dewan, I am to convey to you his thanks and to request you to

As

to kindly omit it

Yours &c.



(General Serial No. 30.)

14 DEC. 9

1893/94 [illegible]

From James Scott Esqr
Bombay

To

The Chief Secretary to the
Dewan of Mysore.

Dated 26 Oct 93

Despatched

Received

Enclosures No.

General No. Tel
No.

Requesting to take charge
in the Malavgalli hills

References to be marked.

Mysore Govt. C. Press, Bangalore.—30-6-92—3000.

T—14.

Class. DP | INDIAN TELEGRAPH | Monthly Local No.

To Station: Mysore | From Station: Bombay Esplanade

Words.	Day.	Hour.	Minute.	Official Instruction.
61/11	26	17	25	Ofd

To (Person): Sir K Sheshadri

From (Person): Scott

123

Tyer. K. C. S. J.. Deman to H. H. the Maharajah Crystals Limitate unless Government inspires publice Confidence taking rupees 100000 or 75000 Shares new Company recommend Government good of State Secure Crystals Limited do well under their Care if not Compulsory liquidation inevitable Rungachalla promised Government would take Lac Shares

Recd. from L. N. At Hrs. Mts. By

Sent to N. At Hrs. Mts.

Date Postmaster.

MYSORE 26-11-93

C. & P. —No. 71 P. O.—14-6-93—1,00,000

(General Serial No. 30.)

1893.94 (126)

From

The Chief Secretary to the Dewan of Mysore.

To James Scott Esqre
Bombay

Dated 4-12-93

Despatched —

Serial 5

Received

Enclosures No.

General No.

Camp No. 282.

Declining to take any shares in the Maharaja Mills.

~~124~~ 14

Camp No. 282
4-12-93

To James
~~Messrs~~ Scott ~~& Co~~ Esq
2
57 Apollo Street
(or Esplanade Hotel)
Bombay

Sahib
A telegram is also
ordered to be sent to
Thos ~~Scott~~ adding that
"letter follows" if
Sir

I am directed to acknowledge the receipt of yr. telegram of the 26th ultimo, and to say in reply that the Govt. much regret its inability, ~~to take~~ on grounds of principle, to take any shares in the Mahanuddi Mills.

Notes

4.12.93

Camp
Shares &
Letter 4/12
Ch. Sec

Issue G of G telegram
Govt regret inability take
Shares as proposed - Letter
follows

4 - 5
on principle

Letter 4/12

Telegram sent
GR 4/12

(General Serial No. 30.) 3946

189 . G 1489

From Messrs: J. Scott & Co. 1/13
Agents,
The Maharaja of Mysore
Spinning & Manufacturing
Company, Ltd.

To
The Chief Secretary to the
Dewan of Mysore.

Dated 11th September 1893

Despatched

Received 20/9/93

Enclosures No. 3

General No. Sl 1

No.

Notice of meeting to voluntarily wind up and reconstruct the Company.

Submitted.

The Comptroller or the Dy Com of Bangalore who is the Govt Director may be asked to submit a report as to the effect of these changes on the loan advanced by Govt as well as on the shares held by them in this Mills.

MWL 25/9

References to be marked.

the proposed meeting appointed by the Liquidator a Chartered Accountant and watch the proceedings and submit a report with the opinion of the Liquidator as to future action when taken of Govt. The Govt loan is secured I believe. The Asst Govt should peruse all the papers and submit his opinion thereon to the Dewan.

ATT

29/9/93

W Thomas Esq
for opinion & early
action to Mysore
Govt Director

Liquidator
for info
30/9

Subject to the approval of the Dewan I agree

30/9

Mysore Govt. C. Press, Bangalore.—30-6-92—3[illegible]

The Dewan will attend

(118) (2

To

The Maharaja of Mysore S. & Wg. Co. Ld.

GENTLEMEN, Serial 1

Referring to the circular issued by the Board and dated the 11th September 1893, regarding the reconstruction of the Company I beg to say that if the Company is reconstructed as therein proposed, I agree to accept from the proposed New Company in exchange for every five guaranteed shares of the Company now held by me one share of Rs. 250 of the proposed New Company on which a dividend of 12 per cent. per annum shall have been guaranteed by Messrs. P. Chrystal & Co., as in the circular proposed; such last mentioned guaranteed share or shares to be accepted by me in full satisfaction of the guarantee given by Messrs. James Scott & Co., in respect to the guaranteed shares now held by me, and I agree that the shares now lodged in the Bangalore Bank belonging to Messrs James Scott & Co., be given up to them.

Dated *1893.*

Holder of *guaranteed shares.*

Private Circular from the Board of Directors.

FOR THE SHAREHOLDERS AND DEBENTURE-HOLDERS OF THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING CO., LD. ONLY.

Since issuing their private report to the shareholders in April last, regarding the position of the Company's affairs, the matter has been further considered by the Directors, who are of opinion that the re-construction of the Company is the last, if not the only, means available of turning the Mill into a paying concern, and they accordingly recommend that the Company be re-constructed on the following basis.

The re-construction of the Company involves the voluntary winding up of the Company and the transfer of its assets and liabilities to a new Company.

At the present moment the Shares of the Company are practically unsaleable, and the Assets of the Company at their present market value, if sold under pressure when the Mill Industry in India is in such a wretched condition. The sale of the property under such conditions might be unfavourable, even to the debenture-holders. The new loan for supplying working capital invited by the Directors' private circular of April last has not been subscribed. Further working capital is absolutely necessary, and as it cannot be obtained. it is obvious that the Company cannot carry on its business, and therefore must be re-constructed.

If the Company were wound up at the present time, simply with a view to the liquidation of its affairs, and not with a view to re-construction, your Directors believe that, although the property cost double its liabilities, were it sold now it would be disastrous to the shareholders in respect of their shares; and that it is even doubtful if debenture-holders would come out without loss, owing to the sudden collapse of Mill Industries in Bombay, caused by the Secretary of State's action in closing the Mints. The Mill Industries now in Bombay are in a most depressed state, and it can be seen from the *Bombay Gazette* and *Times of India*, the very sudden fall in Mill Stocks, which were at Rs.1,000 are now Rs.500 and some at Rs.300, it is certain that the mill property of the Company, if sold when this depression is raging, would have to be sold at a great sacrifice.

The main features of the scheme for re-construction which the Directors now propose for the consideration of the shareholders, are, first, that the new Company should have a nominal capital of Rs.7,00,000, divided into 2,800 shares of Rs.250 each, and that the present shareholders should agree to accept one such share of Rs.250 for every five shares of Rs.100 each held by them in the present Company. Shareholders holding less than 5 shares will receive part of a share of Rs.250 representing their interest on the reduced capital. Secondly, that the Agency of the new Company should be entrusted to the firm of Messrs. P. Chrystal and Co., who are willing to undertake the same on the terms hereinafter mentioned; and thirdly that the new Company should be formed and registered in Bombay and have its registered office in Bombay.

It will be seen that by accepting one share of Rs.250 in the New Company in exchange for every five shares in the Old Company the result to the present shareholders of the Company will be that the nominal value of their shares will be reduced by one-half, and that that amount of capital will be written off.

The present subscribed capital of the Company is Rs.4,43,000. In order to give one share of Rs.250 in the New Company to the holder of every five shares in the Old Company 886 shares in the New Company would be required.

This would leave 1,914 shares of Rs.250 each in the New Company undisposed of. These 1,914 shares would be first offered to the present shareholders, at par. With the capital subscribed for these 1,914 shares it is intended to pay off the mortgages held by the Mysore Government and the debenture holders. Messrs. P. Chrystal and Co., to whom it is proposed to transfer the Agency, hope to be able to dispose of all the 1,914 shares which are not taken up by the present shareholders, before the debentures fall due.

As regards the Agency being given to Messrs. P. Chrystal & Co., Messrs. James Scott & Co., who hold shares of the nominal value of about Rs.2 lacs are quite content that the management should be entrusted to this firm. Amongst the other qualifications of Messrs. P. Chrystal & Co., for the Agency the following may be mentioned: This firm has had about 25 years' experience in the selection and purchase of cotton in the Southern Maharatta country and Mysore, whence the cotton of the Maharajah of Mysore Spinning and Manufacturing Company has been purchased. The partners in the firm now resident in India, *viz.*, Messrs. Subarao, Appajee, Telang and Narayen, Anappa Sirur, belong to the Southern Maharatta country, and speak the Kanarese language, and thoroughly understand the methods of the cotton merchants and weavers of that district. They have a large connection with the purchasers of yarn in that district, and thoroughly understand the class and quality of yarn required there; and the Southern Maharatta Mill, Hubli, is only three quarters of a day's journey by rail from the Maharajah Mill, which is considered a very short distance in India.

The following facts and figures show how successful Messrs. P. Chrystal & Co. have been in their management. as Agents of the Southern Maharatta Spinning and Weaving Company's Mill, of which they have been Agents for the last 12 years.

The Southern Mahratta Spinning and Weaving Company, Limited, was registered in Bombay in 1881, with a nominal capital of Rs.6,00,000 divided into 2,400 shares of Rs.250 each. Up to June 1885 only Rs.3,03,000 of this capital had been subscribed, and it became necessary therefore to raise Rs.2,00,000 by debentures secured by a mortgage of the Mill. By this means the Company was enabled to have 10,752 spindles at work. At that time the shares were quoted at about Rs.210. Messrs. P. Chrystal & Co. succeeded in getting the remaining capital subscribed, chiefly by the shareholders of the Company, and paying off all the debentures. By these means the Company was enabled to increase the number of its spindles to 18,960, at which number they now stand:—

The following statement will show what profit the Mill has made during the last 7 years.

	Total profits.		Dividend.
1887	87,867 13 0	...	10 per cent.
1888	1,23,875 7 0	...	11 ,,
1889	1,21,205 2 8	...	10 ,,
1890	1,08,349 5 7	...	10 ,,
1891	92,991 3 0	...	10 ,,
1892	93,102 12 0	...	10 ,,
1893	1,20,716 12 1	...	10 ,,

The amounts standing to credit of the depreciation fund and to the Reserve Fund respectively on 30th June 1893, were Rs.2,03,946-6-9 and Rs.60,336-1-6.

The present quotation of the shares of the Southern Maharatta Spinning and Weaving Company, Limited, is Rs.325, with dividend of Rs.12½ falling due 31st August 1893.

Messrs. P. Chrystal & Co. are willing to take up the Agency of the new Company for a period of 25 years from the date of the registration of the proposed new Company, upon the following terms as to renumeration. They are to receive—

1 pie per lb on the yearly production of yarn, whether any profit is made by the Company or not.

5

1½ pies per lb on same if a profit of 4 per cent., but less than 6 per cent. is made.

2 pies per lb on same if a profit of 6 per cent. but less than 9 per cent. is made.

3 pies per lb on same if a profit of 9 per cent. or more is made.

The net profits to be-ascertained by deducting cost of cotton and all material and things consumed and all working expenses and charges, but without and before deducting anything set aside for repairs, replacement or additions to any building or machinery, or anything set aside for deterioration, reserve and other funds.

In addition for this they will require an allowance to meet personal and office expenses. The amount of this allowance to be fixed by the Board from time to time.

Messrs. P. Chrystal and Co. will undertake to procure for and on behalf of the new Company from time to time whatever money is required for the efficient working of the Mill, the loans being taken in the name of the new Company and secured by a first lien or charge on the floating stock of the new company. Messrs. P. Chrystal and Co., provided they are appointed agents of the Company upon the terms above mentioned, and provided all the holders of the 575 guaranteed shares of the present Company accept one share of Rs.250 in the new Company in exchange for every five guaranteed shares held by them in the present Company, are also willing to guarantee a dividend of 12 per cent upon every such share of Rs.250 so taken in exchange for five such guaranteed shares. Such guarantee to continue for the residue of the period for which interest has been guaranteed by Messrs. James Scott and Co. In reference to this proposed guarantee however it must be borne in mind that if the Company makes a profit of 12 per cent or upwards in any one year, whether such profit is or is not wholly applied in payment of a dividend, the liability of Messrs. P. Chrystal and Co. under their guarantee for that year will cease, and also that if in any year a profit of less than 12 per cent is made Messrs. P. Chrystal and Co. will only be responsible under their guarantee for that year to make good the difference between the profit so made and the said 12 per cent, whether such profit is or is not wholly applied in payment of dividend.

Messrs. P. Chrystal and Co. have consented to give this guarantee at the special request of Messrs. James Scott and Co. and in substitution for the guarantee given by Messrs. James Scott and Co. which, of course, will cease. Messrs. P. Chrystal and Co. however are not prepared to give any collateral security for the performance of their guarantee, and Messrs. Scott and Co.'s shares, now lodged in the Bank of Bangalore, be returned to them as they will be no longer Agents of the Company.

It is for the guaranteed shareholders to consider whether they will assist in the reconstruction of the Company by taking one guaranteed share in the new Company in exchange for every five guaranteed shares held by them in the present Company, or whether by refusing to do so, they may not lose the whole value of their guaranteed shares. The alternative to reconstruction is the liquidation of the Company and the sale of its assets for cash. It is for the guaranteed shareholders to consider what legal value the guarantee would be to them under such circumstances.

The directors are in a position to state that Colonel LeMessurier, who holds about half the guaranteed shares, is willing that the nominal value of the guaranteed shares held by him should be reduced by one half, and is also willing to take in exchange guaranteed shares of a similar reduced nominal value in a new Company of which Messrs. P. Chrystal and Co. are to be the Agents, and Mr. A. J. Molloy, Director, Bangalore, who is Attorney and Proxie-holder for Colonel LeMessurier, who is now in England, highly approves of the whole scheme and has no doubt whatever in stating that Colonel LeMessurier on receipt of the circular and resolutions, will give it his best support. Colonel LeMessurier holds Rupees 30,000 in Debentures, 249 Guaranteed Shares and 65 Ordinary Shares.

Considerable difficulty has been experienced in financing the Company in Bangalore, owing to the absence of local Banks, and the high rate of interest charged by the Madras Bank. Moreover, Bankers in Bombay will not advance money to the Company because its registered office is not in the Bombay Presidency. If the registered office of the Company were in Bombay it would be easy to obtain loans from Bankers on reasonable terms. Moreover, in Bombay, there would be no difficulty in finding persons of means and position, and having experience in Mill management, to join the Board. These are some of the reasons why it is thought expedient to have the Registered Office in Bombay. Shareholders should also observe that the retiring Agents have given up their quarter-anna commission which equals Rupees 25,000 per annum, which in itself secures a very good dividend to the new Company on the reduced capital.

The Mysore Government intimated its willingness to release the present Company from the mortgage for Rs.2,15,000 held by the Mysore State upon the land, buildings, and machinery of the Company, and to accept a similar mortgage from the new Company and approves of the scheme as well as the new Agents, Messrs. Scott and Co, having refused to act any longer, having no time to attend to the Company's business.

It is hoped that the holders of the debentures for Rs.2,50,000, secured by a mortgage on the same property, will also consent to release the present Company from all liability under their mortgage, and will accept a similar security from the present Company; unless they do so, or unless a loan is raised by the new Company to pay off the present debenture loan, the present scheme cannot be carried out.

The Directors confidently hope that the debenture holders will raise no difficulty in the way of the reconstruction of the Company, as the position of the debenture holders could be no worse, but on the contrary would probably be much improved, by adopting the reconstruction scheme and accepting debentures from the new Company in exchange for the debentures which they now hold. The same security would of course be given to the debenture holders by the new Company as they now hold from the old. The debenture holders must bear in mind that if the Company's Mill property were sold in liquidation, the probability is that after paying off the mortgage held by the Mysore Government the net proceeds of sale might not be sufficient to pay off the debenture holders in full.

The Transfer Books of the Company will be closed from Saturday, the Thirtieth day of September to Saturday, the Twenty-eighth day of October 1893, inclusive.

Dated at Bangalore, this Eleventh day of September 1893.

By Order of the Board,

J. SCOTT & CO.,

Agents.

The Maharajah of Mysore Spinning and Manufacturing Company, Limited.

CIRCULAR TO SHAREHOLDERS.

To

The Maharaja of Mysore S. & Wg. Co. Ld.

GENTLEMEN,

Referring to the circular issued by the Board and dated the 11th September 1893, regarding the reconstruction of the Company I beg to say that if the Company is reconstructed as therein proposed, I hereby agree to accept from the proposed New Company in exchange for the debentures now held by me in the Maharajah of Mysore S. and Wg. Coy. Limited, a similar number of debentures to be issued by the proposed New Company provided that such last mentioned debentures are for a similar amount to and are secured in the same manner as those which I now hold.

Dated *1893.*

Yours faithfully,

Holder of *debentures.*

PRIVATE.

NOTICE FROM THE BOARD OF DIRECTORS.

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, (LIMITED)

NOTICE is hereby given that an Extraordinary General Meeting of the Shareholders of the Maharajah of Mysore Spinning and Manufacturing Company, Limited, will be held at the Registered Office of the said Company on Saturday the Twenty-eighth day of October 1893, at 2 o'clock p. m., to consider and pass the following Resolutions, viz. :—

1. That the Maharajah of Mysore Spinning and Manufacturing Company, Limited, be wound up voluntarily under the provisions of the Indian Companies Act X of 1866 and reconstructed at the same time.

2. That pursuant to section —— of the Indian Companies Act X of 1866, the Liquidator or Liquidators be and they are hereby authorised and empowered to sell assign transfer and make over unto a certain Joint Stock Company with limited liability intended shortly to be formed and registered in Bombay under the provisions of Act of 1882 and to be called the Mysore Spinning and Manufacturing Company, Limited, having a capital of Rs. 7,00,000 divided into 2,800 shares or fraction of share of Rs. 250 each, all the lands buildings hereditaments machinery fixtures effects assets rights credits business goodwill and other the property moveable and immoveable of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, and to receive as the consideration for such sale assignment and transfer as aforesaid, the certificates of 886 shares on fraction of shares in the said Mysore Spinning and Manufacturing Company, Limited, of Rs. 250 each fully paid up for distribution amongst the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, in voluntary Liquidation in the proportion of one of such shares of Rs. 250 each per every five shares of Rs. 100 each held by the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, in that Company. Such sale transfer and assignment shall be made subject to the following provisions :—

(*a*). That the said Mysore Spinning and Manufacturing Company, Limited, shall enter into an undertaking or covenant with the said Liquidator or Liquidators to perform and fulfil all agreements contracts engagements and obligations to pay satisfy and discharge all mortgages debts and liabilities of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, and to indemnify the said last named Company, Limited, against the same.

(*b*). That the said Mysore Spinning and Manufacturing Company, Limited, shall procure Messrs. P. Chrystal and Co. of Bombay, Agents for the Southern Maharatta Spinning and Weaving Company, Hubli, and to enter into an agreement with the said last named Company whereby the firm of Messrs. P. Chrystal and Co. howsoever constituted shall be appointed and

shall agree to become Agents of the said last named Company for a period of 25 years from the date of the registration of the Mysore Spinning and Manufacturing Company, Limited, and upon the terms amongst others (1) that the said Messrs. P. Chrystal and Company shall agree to charge the said Mysore Spinning and Manufacturing Company, Limited, commission only at the rates following :—

They shall charge :—

1 pie per lb. on the yearly production of yarn whether any profit is made by the Company or not.

½ pies per lb. on the same if a profit of 4 per cent and less than 6 per cent is made

2 pies per lb. on the same if a profit of 6 per cent and less than 9 per cent is made.

3 pies per lb. on the same if a profit of 9 per cent or more is made.

(2) that the said Messrs. P. Chrystal & Company agree to procure for the said Mysore Spinning and Manufacturing Company, Limited, from time to time whatever money may be required for the efficient working of the Mill during the period for which the said firm shall be the Agents of the said Company the loans being taken in the name of the said Company and secured by a 1st lien or charge on the floating stock of the said Company and (3) that the said Messrs. P. Chrystal & Company guarantee payment of an annual dividend of Rs. 12 per cent upon every share of Rs. 250 of the said Mysore Spinning and Manufacturing Company, Limited, which shall have been exchanged for five shares out of the 575 shares of the Maharajah of Mysore Spinning and Manufacturing Company, Limited, in respect of which last mentioned shares a similar guarantee by Messrs. James Scott & Company now exists. The guarantee of the said Messrs. P. Chrystal & Company to be given in substitution for and to continue during the unexpired period of the existing guarantee given in respect to the said 575 shares in the Maharajah of Mysore Spinning and Manufacturing Company, Limited, by the said Messrs. James Scott & Company no collateral security for the performance of such guarantee shall be required from Messrs. P. Chrystal & Company, and that the guaranteed Shareholders accept Messrs. P. Chrystal and Company in place of Messrs. James Scott & Company and yield up the shares lodged in the Bangalore Bank to Messrs. James Scott & Company.

(c). That in the allotment of shares in the said Mysore Spinning and Manufacturing Company, Limited, over and above the said 886 shares which are to be allotted to the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, as aforesaid the said Mysore Spinning and Manufacturing Company, Limited, shall to all Shareholders in the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, who may apply for an allotment of any shares in the said Mysore Spinning and Manufacturing Company, Limited, give preference over all other applicants.

3. To appoint a liquidator or liquidators and to fix their or his remuneration.

By order of the Board.

(Signed) J. SCOTT AND CO.,

Agents.

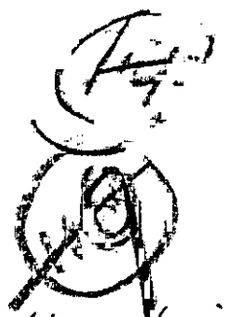
Dated this 11th day of September 1893.

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED.

Notice of meeting to Voluntarily wind up and reconstruct the Company.

MESSRS. CRAIGIE, LYNCH AND OWE

31—8—93.



Serial 2

Read:

Notice (marked Private)
from the Board of
directors of "The Maharaja
of Mysore Spinning
and manufacturing
Company Ld: Con-
-vening an Extra-
-ordinary meeting of
the Shareholders of
the said Company
on 28th October (proximo)
for the purpose of
considering and passing
certain Resolutions for
a voluntary winding
up of the Company
and a reconstruction
of it on bases therein

Explained.

Order thereon No 6373-5 / S.T. 305-92 } 30-9-93
2-20

The Deputy Commissioner Bangalore District is directed to attend the proposed meeting assisted by the Government Advocate or his Assistant and watch the proceedings on behalf of Government and submit a report with the opinion of the Government Advocate as to the future action to be taken by Government

They will also in Com-
-munication with
the Comptroller Ex-
-amine and report
upon the present State
of the Securities for
the loan made by
Government. The
Government-Advocate
should peruse all the
papers ~~the~~ bearing on
the subject in the
offices of the Chief
Secretary and the
Comptroller and Sub-
-mit his Opinion through
the Deputy Commissioner.

Chief Secy

To.
The Deputy Comr:
Bangalore.
The Government-Advocate
The Comptroller Mysore
Govt

(General Serial No. 3) REGD NO. 60

CAMP 188 DATE 16/10/93

CAMP OFFICE OF THE DEPUTY COMMISSIONER

From Asst. Chief Sec. to Govt
Bombay

To The Deputy Commissioner Nipani

Serial 3

Dated 9 Oct 1893.

Despatched

Received 15 Oct (Ultra + Private copy)

Enclosures No.

General No. I

No.

Subj draft of the deed of Mortgage to be executed by the new company, Maharaja of Nipani Spinning & Manufacturing Co. in favour of Nipani Govt & reporting that a general meeting will be held on the 28th inst

The Extraordy meeting of Shareholders will has been convened by the Directors & Report & facts & opinion -

Sd/ 15 Oct

Serial 3

Have put up the Record to Deputy Commr Sd/ 16/10/93

To Mr Anderson

Please send the file of Nipani Case for Mr Rice - Govt, Secy for it Sd/ 17/10

Subd - The file is not here: it had been given to the Asstt Govt Advocate for perusal. I have telegraphed for it.

Sd/ 17/10

Sub'd to the Deputy Commr

Sd/ 20/10

Forwarded to the Government Advocate in continuation of Pro No. 6373 5 & 30 of 305 September 1893, for opinion as to the effect of the proposed arrangements on those which they are intended to supersede, in so far as the Govt interests are concerned. By order

Sd/ illegible

26-10-93

Subd to Mr Deputy Commr

The file is at Bangalore. The Dy Commr will recollect that the opy of the Govt Order have been requested for

Rly 23/10/93 No. 14

No. 1 Bombay 9th October 1893 (120)

To His Excellency Sir K. Sheshadri Iyer K. C. S. I.
Dewan of
Mysore

(129)

Your Excellency,

Early last month Mr James Scott Agent of the Maharajah of Mysore Spinning and Manufacturing Company, Limited, took away with him a scheme for the reconstruction of the Company drawn up under our instructions for submission to the Directors of the Company after it had been approved by Your Excellency. We have since learnt from Mr Scott that Your Excellency was pleased to accord the necessary approval for which please accept our best thanks.

2. We now beg to enclose a Draft of the Deed of Mortgage to be executed by the new Company in favour of the Mysore Government in which it will be noticed that all the old conditions have been retained excepting the following:-

(a) The instalments for repayment of the sum of Rs. 2,15,000 have been inserted in accordance with the spirit of the correspondence ending with a reply dated the 15th of June last from Your Excellency's Chief Secretary to the address of Messrs Scott & Co.

(b) The rate of interest has been left open to be filled up by Government.

3. We beg that Your Excellency will be pleased to accord sanction to the proposed instalments which we assure you we shall do our best to pay with scrupulous punctuality. In

connection

No 2.

Copy of Letter from Secretary of State for War to Governor.

Downing Street, 15th October, 1895.

My Lord,

I have the honour to transmit to your Excellency, for the information of your Ministers, a Copy of a Despatch from the Governor of the Leeward Islands, enclosing a Report by Major Hallowes, R.E., on the Defences of Antigua.

I have, &c.,

(Signed) J. CHAMBERLAIN.

The Governor,
His Excellency Sir W. Robinson, K.C.M.G.,
&c. &c. &c.

connection with the arrangement mentioned in Messrs Scott & Co's letter of the 25th. March to the Chief Secretary to Your Excellency, of utilizing for working capital each instalment as it falls due, - this matter we think may well be left for consideration at a future time when we become better known in your territory.

4. As regards the rate of interest we sincerely trust that with the generosity which the Mysore Government has been pleased so far to extend to the Mill, it will fix it at a figure less onerous than the present one of six per cent.

5. Considering the present circumstances of the Mill and of the Yarn trade, we need hardly say that nothing short of such strict economy as is consistent with efficient management will enable us to bring the Mill out of its embarrassments. We are therefore sorry to learn from Mr. Scott that it is contemplated to employ a highly paid agency consisting of Messrs Scott, B. Srinivas Ayangar - the Chairman of the present Board - and another native gentleman of Bangalore, as liquidators of the Old Company. Considering that the liquidation in this instance is nothing more than transferring of the property and the various Titles from one name to another for the purpose of satisfying the requirements of the law, it would seem a pity to spend considerable sums, the burden of which will ultimately fall upon the New Company. Mr Isaac Alcock, a high authority on all Mill matters in our Presidency, and who is besides himself largely interested in the Bangalore Mill, offered to become Sole liquidator <u>without</u> personal remuneration and the offer is still open before Mr Scott. If

local

15

local circumstances should demand that a native of Bangalore be a liquidator, we would take the liberty, in the interests of all concerned, to ask Your Excellency's Government to nominate one of the Mysore officials to be a liquidator either alone or jointly with Mr. Alcock. Such nominee would, of course, be entitled to look to a reasonably fair remuneration. The General Meeting to be held on the 28th inst. will proceed to appoint the liquidator or liquidators. Should Your Excellency feel disposed to accede to our request it will become necessary that the nomination should be placed in the hands of the present Board of Directors say a week before the General Meeting.

We have the honour to be,

Your Excellency's most obedient servants,

P. C. Krupabal & Co

Schedule above referred to

	Mill Building
	Loom Shed.
	Cotton Godown
	Office Building
	New Stock Godown
	Flour Mill Building
	Engine with all accessories
4	Large Boilers with all accessories
	Mixing Room.
1	Cop breaking Machine
1	Crane.
	Blow Room.
1	Lowes Exhaust opener.
1	Creighton opener.
7	Willow
2	Single Scutchers
2	Double "
1	Teazer.
	Card Frame Dept.
30	Carding Engines 40×50 on wire
18	" " 40×50 "
4	Sets of Drawings 6 heads & 6 deliveries
2	" " 3 " & 7 "
1	" " 3 " & 5 "
4	Slubbing Frames of 72 Spindles
1	" " 60 "
2	" " 82 "
4	Intermediate " " 106 "
3	" " 112 "
13	Rovings " " 152 "
7	" " 152 "

4 Rovings Frames of 120 Spindles

Spinning Room.

20 New Ring Frames (4 with of 424 Spindles, 26 of 364 Spindles twist. Total No of Spindles 1116

1 Mules of 744 Spindles. each = 4464 Spindles

Reeling Room.

10 Reels.

Baling Room.

1 Hydraulic Press 10" Ram.

3 Bundling Presses.

1 Banding Machine

1 Roller Covers Machine

1 Wrapping Machine

Winding Room.

Winding Machine of 300 Spindles

1 " " " 150 "

1 Pirn winding Machine of 100 Spindles

1 " " " 80 "

1 Doubling Machine of 40 Spindles

4 Wrapping Mills & Creels.

Sizing Room.

1 Head Knitting Machine

1 Beck with dashers for boiling clay

1 Double becks with dashers for boiling Sizing

6 Beam Racks.

1 Large Sizing Machine

Loom Shed.

1 Belting Room.

31 Dobbies

1 Folding Machine

P. CHRYSTAL & Co.

Memo.

164

Bombay 9th Octr 1893

The within was omitted to be enclosed in our today letter & forms part of the enclosures handed by same

Dft Telegram

15

~~125~~

James Scott Esq
51 Apollo Street
or Esplanade Hotel
Bombay

Gave Conversation with Resident regarding
Maharajah Mills
The Durbar will take ^ Shares for twenty five
thousand Rupees ~~in Shares of~~ in new
Comp^y of ~~Management Chrystal~~
~~& Co. take Management~~ successfully
reconstructed on lines ^ agreed ~~to~~ by
Chrystal & Comp^y

No 9895
87. 305-92

Dft 21-12-93
22

Telegram has gone
Copy & Ex by post
Sub^l & Ch. L^r
as directed

21/12/93

Copy sent 21/12/93

This Indenture made the day of in the year one thousand eight hundred and ninety three between the Mysore Spinning and Manufacturing Company, Limited, a company duly incorporated under the Indian Companys act 1882 and having its registered office in the city of Bombay, hereinafter called the Mortgagors of the first part, and the Government of Mysore, hereinafter called the Mortgagees of the second part.

Whereas by an Indenture dated between the Maharaja of Mysore Spinning and Manufacturing Company Limited (herein-after called the old company and

the Liquidators thereof of the one part and the said Mortgagors of the other part, the Mortgagors have become seized and possessed of the hereditaments, hereinafter expressed to be hereby Mortgaged consisting of a cotton Mill equipped with Spinning and Weaving Machinery together with an Engine house and other appurtenances

more fully and particularly described in the schedule hereto annexed, subject to a Mortgage thereof made, by an Indenture dated the 22nd day of October 1888, between the said Maharajah of Mysore Spinning and Manufacturing Company (now in Liquidation) of the one part and the Goverment of Mysore of the other part, for securing the sum of Rupees two lacs, advanced by the latter to the former, and whereas the amount due to the Mortgagee under the said Mortgage has been this day found to amount to Rupees two lacs, and fifteen thousand, and whereas the Mortgagees have agreed to receive the sum so due to them from the Mortgagors, on having the repayment thereof with interest secured to them by a fresh Mortgage of the said hereditaments and premises on the conditions hereinafter more particularly set forth. Now this Indenture. ——"—— witnesseth that in pursuance of the said agreement, the said Mortgagors, do here-by covenant

with the said Mortgagees that the said Mortgagors will pay to the sa Mortgagees at their Huzoor Treasury at Banglore the said sum of Rupees two lacs, and fifteen thousand with interest at — percent per annum payable annually in manner hereinafter mentioned that is to say. —

Rs	15000	on 31st December	1894
"	15000	" "	1895
"	15000	" "	1896
"	15000	" "	1897
"	15000	" "	1898
"	15000	" "	1899
"	15000	" "	1900
"	15000	" "	1901
"	15000	" "	1902
"	15000	" "	1903
"	15000	" "	1904
"	15000	" "	1905
"	15000	" "	1906
"	20000	" "	1907

And the said Mortgagors do hereby covenant with the said Mortgagees that upon any failure to pay the sums aforesaid on the dates aforesaid, the said Mortgagees shall be entitled to claim from the said Mortgagors the immediate payment of the whole of the monies, principal and interest, remaining to be

paid under these presents and this Indenture also witnesseth. that for the consideration aforesaid the said Mortgagors do hereby mortgage unto the said mortgagees the immoveable and movable Mill machinery of the Mysore Spinning and Manufacturing Company Limited described in the schedule here-to annexed together with all buildings machinery, Mill, Gear erected and to be hereinafter erected, constructed, and supplied on the said Mill premises during the continuance of these presents, exclusive however of yarn and cotton raw & in process as well as stores and fuel.

And the said Mortgagors for themselves and their assigns do hereby covenant with the said Mortgagees that the said Mortgagors will not pull down or remove the said Mill, out-houses Engine house, buildings, steam Engines, Machinery fixed or moveable, implements or any part thereof, without the permission in writing of the said Mortgagees, unless in cases where such pulling down or removal shall be rendered necessary by reason of any of the said premises

being worn out or injured, and in
such cases shall replace the
premises or articles worn out
or injured by others of the least
equal value and further that
the said Mortgagors or their
assigns shall at all times
during the continuance of
this security keep the hereditaments
& premises hereby granted
and mortgaged in good and
substantial repair and in
perfect working order and also
insured against loss or damage
by fire in the sum of Rupees
three lacs, in such office or
offices, as the said Mortgagees
shall have approved of and
shall pay all premia of
insurance from time to time,
as the same may fall due &
will forthwith on obtaining
the Policies of such Insurance
assign them to and lodge
them with the mortgagees to
be held by them so long as
any Principal money or interest
shall be owing on the security
of these presents and will at
any time on demand made to
the Agents, for the time being of
the said Company, or left at the

office in Bombay of the Company produce to the said Mortgagees Policies of Insurance and the receipts for every such payment and will apply all monies which may be received by virtue of any such Policy either in making good the loss or damage or in or towards the discharge of the monies which shall for the time being be due to the said Mortgagees on the security of these presents as shall by them be required and shall also pay & discharge all ground & other rents assessments rates, taxes & all other out-goings payable in respect of the said hereditaments & premises immediately the same shall become due And also that if default shall be made in keeping the said hereditaments and premises so insured as aforesaid or in payment of such premia or of such outgoings as aforesaid it shall be lawful to the said Mortgagees so to insure and keep insured the said hereditaments & premises, to pay such premia & discharge such out goings aforesaid on account of the said —

Mortgagors or their assigns and the said Mortgagors or their assigns shall on demand repay to the said Mortgagees every such sum of money paid or expended for the purposes aforesaid with interest thereon at the rate of 12 per cent per annum from the time the same shall have been so paid or expended and until so repaid the same shall be a charge upon the said hereditaments & premises and Also, that it shall be lawful for the said Mortgagee or their agents or servants at lawful and reasonable times to enter into & upon the said Mortgaged premises & view the state of repair & condition thereof & of any defects in the repairs or condition thereof to give notice to the said Mortgagors or their assigns who shall thereupon with all reasonable speed cause the same to be amended and made good. Provided always and it is hereby agreed and declared that if at any time or times before the said 31st December 1907 the hereditaments and premises hereby Mortgaged

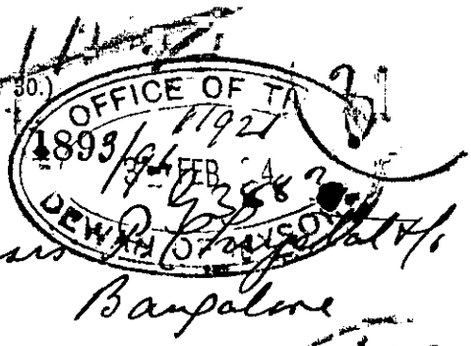
or the greater portion thereof are destroyed otherwise than by fire so as materially to impair the security hereby provided then & in such case (notwithstanding any thing herein contained to the contrary) the whole of the money for the time being owing on the security of these presents (whether for Principal or interest) shall become payable and in such case all such rights and remedies shall be available to the said Mortgagees as would be available to them upon default being made in payment of any one of the instalments of Principal or interest hereby secured. And the said Mortgagors for themselves & their assigns do further covenant with the said Mortgagees as follows :-

(a) That the said Mortgagors shall not without the sanction of the said Mortgagees raise or obtain a further loan on the Mortgage of the said Mills or otherwise, other than the loan of Rs 250,000, already raised by the old Company on debentures

and secured as a second charg
on the said premises
(b) That the said Mortgagors
shall not without the
consent of the said Mortgagees
declare a dividend exceeding
Rupees 12 percent per annum
during the continuance of this
mortgage.
(c) That the said Mortgagors
shall not without the consent
of the said Mortgagees increase
its present Registered Capital
of 7 Lacs.
(d) That the plan specification
& estimate for any proposed
additional extension of the
Mill Premises or for any
substantial additions to
Machinery, be first submitted
for the approval of the said
Mortgagees & their sanction,
and that the contract for
the construction of any
additional extension be
submitted to public
competition
(e) That the said Mortgagors
have at present in themselves
good right, full power and
absolute authority to grant
and assign all & singular

the mortgaged hereditams & Premises and every part thereof unto the said mortgag and further that the said Mortgagors & their assigns & all other persons having or lawfully or equitably claiming any estate or interest in the said Mortgaged hereditams & Premises or any part thereof shall and will from time to time and at all times hereafter upon the request of the said Mortgagees and at the cost of the said Mortgagors or their assigns do and execute or cause to be done and executed all such acts, deeds, and things, whatsoever for further more perfectly assuring all or any of the said Hereditaments & Premises unto and to the use of the said Mortgagees according to the true intent and meaning these presents as shall or may be reasonably required.

(General Serial No. 30.)



From Messrs Scott & Co
Bangalore

To

The Chief Secretary to the
Dewan of Mysore.

Dated 2 February 94

Despatched

Received

Enclosures No.

General No.
No.

Serial 4

Stating that they have completed their arrangements to take over the management of the Bhadravati Iron & Steel Manufacturing Company's mills at Bangalore from Messrs J Scott & Co

References to be marked.

Mysore Govt. C, Press, Bangalore.—30-6-92—3000.

P. CHRYSTAL & Co.

2

(31)

~~Bombay~~ Mangalore 2d February 1894

To.

Sir K. Sheshadri Iyer K. C. S. I.
Diwan of Mysore

Your Excellency,

With reference to the letter addressed by us to Your Excellency on the 9th October 1893, we beg to say that we have completed our arrangements to take over the management of the Maharaja of Mysore S. & M. Company's mill at Mangalore from messrs J. Scott & Co.

We are thankful to Your Excellency for the support you have agreed to give by subscribing Rs 25,000/- to the capital of the new company. Mr Scott has further informed us that you have been good enough also to give us the liberty of mentioning the above circumstance in the circular we may issue on behalf of the new company for the purpose of

of raising fresh capital

3. With regard to the debt due to the Government of Mysore we have already submitted along with our letter above referred to a draft mortgage deed for your Excellency's approval. The draft embraces all the old conditions with the following exceptions, viz,

1st The instalments for ~ repayment of the Sum of ~~Rs~~ 2,15,900. have been fixed in accordance with the Spirit of the correspondence ending with the letter dated 15th June 1893 from your Chief ~ Secretary to the address of messrs James Scott & Co and Secondly, the rate of interest has been left open to be filled up by the Government

4. As regards the rate of interest we

Bombay, 18

we Sincerely trust that it will be fixed at a figure of not more than four per cent per annum This further Concession, we take the liberty to say, is absolutely needed in the interests of the mill, having regard to the difficulties which the Mill Industry in India has at present to contend against.

We have the honor to be,
your Excellency's most obt Servants
P. Chrystal & Co

This order to be issued when Corporation do accept the charge from Messrs Scott & Co

2/9/94

Sanctioned subject 3/9/94

Order

1) The Govt have always promised to take 25,000 Rs. in Shares of the new Co. and they have no objection to this being promised being published

2). The loan secured by the 1st mortgage of the mills may be repaid by annual payments of Rs 21,500 — from each pay. of interest due to be first deducted

3. The Govt interest will be reduced to 5% from 1st Aug 1894.

4) Should the debt not be discharged in

4 Before the Chairman appointed the 2nd meeting of the Trustees of

(General Serial No.-80) 9043.

1893/94 G 2676

From The Chairman
The Maharaja's Mysore
Spinning & Manufacturing Co

To

The Chief Secretary to the
Dewan of Mysore.

Dated

Despatched

Received

122

Enclosures No.

General No.
No.

Proceedings of an Extraordinary meeting of the Shareholders of the Maharaja's Mysore Spinning and Manufacturing Co held on 28th October 1893

H 205

References to be marked.

Mysore Govt. C. Press, Bangalore.—30-6-92—3000

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED.

At an EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED, held at the Company's Registered Office at the Mills, on Saturday, the 28th of October, 1893, at 2 P.M.

The following Shareholders were present :—

B. STREENEVASIENGAR Esq., *Chairman.*
J. G. SCOTT, Esq., *for self and holding proxy for five Shareholders.*
A. J. MOLLOY, Esq., *for self and as Attorney for* COL. A. LEMESSURIER.
S. N. RAMASAWMY IYENGAR, Esq.
S. NARAYNSAWMY IYENGAR, Esq.
S. BILIGIRI IYENGAR, Esq.
S. SHAMANNA, Esq.
R. CHARLESWORTH, Esq.
B. GUNGIAH, Esq.
S. SANKARAPA, Esq.
T. B. LAKCHMIAH, Esq.
V. BASANNAH, Esq.
I. ALCOCK, Esq.

The Deputy Commissioner of Bangalore, and Mr. S. RAMASAWMY IYER, watching the proceedings on behalf of the Government of Mysore.

The following proxies in favour of Mr. JAMES SCOTT were recorded :—

THOMAS HOLT	Holding	66	shares.
JOSEPH LAW	,,	75	,,
PETER HARROWER	,,	43	,,
JOHN TULLIS	,,	42	,,
LANG BRIDGE	,,	12	,,

The notice convening the Meeting was read by the Chairman, and the Circular of the Board of Directors to the Shareholders, dated the 11th of September 1893, was taken as read.

1. *Proposed* by Mr. SCOTT and *Seconded* by Mr. ALCOCK :—That the Maharajah of Mysore Spinning and Manufacturing Company, Limited, be wound up voluntarily, under the provisions of the Indian Companies' Act X of 1866, and re-constructed at the same time.

Carried—Mr. B. GUNGIAH alone dissenting, holding 10 shares only.

By consent of the meeting the consideration of the third proposition on the notice was next proceeded with.

2. *Proposed* by Mr. S. N. RAMASAWMY IYENGAR and *Seconded* by Mr. BILIGIRI IYENGAR :—That Messrs. JAMES SCOTT and ISAAC ALCOCK, who have offered to serve without remuneration, be and are hereby appointed Liquidators and authorised to avail themselves of the services of Messrs. BILIGIRI IYENGAR and B. STREENEVASIENGAR on a remuneration of Rs.400 and Rs.300 respectively.

Carried—Mr. B. GUNGIAH alone dissenting, holding 10 shares only.

Consideration of item 2 on the Notice was then proceeded with.

3. *Proposed* by Mr. STREENEVASIENGAR and *Seconded* by Mr. MOLLOY :—That pursuant to the provisions of the Indian Companies' Act X of 1866, the Liquidators be and they are hereby authorised and empowered to sell, assign, transfer, and make over, unto a certain Joint Stock Company with limited liability intended shortly to be formed and Registered in Bombay, under the provisions of Act VI of 1882, and to be called the Mysore Spinning and Manufacturing Company, Limited, having a capital of Rs.7,00,000, divided into 2,500 shares of Rs.250 each, and 1,500 shares of Rs.50 each, all the Lands, Buildings, Hereditaments, Machinery, Fixtures, Effects, Assets, Rights, Credits, Business, Goodwill and other the property, movable and immovable, of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, and to receive as the consideration for such sale assignment and transfer as aforesaid, the certificates of as many fully paid-up shares of either Rs.250 each or Rs 50 each as would cover the amount of Rs.2,21,500 in the said Mysore Spinning and Manufacturing Company, Limited, for distribution amongst the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, in voluntary liquidation, in the proportion of one of such shares of Rs.250 each for every five shares of Rs.100 each or of one such share of Rs.50 each for every one share of Rs.100 each respectively, held by the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing, Company, Limited, in that Company.

That until such sale or transfer is effected and the Liquidators formally deliver over charge of the Mill to the said New Company, the present Agents, under orders of the Liquidators, be hereby authorised to carry on the business of the Mill as heretofore. Such sale transfer and assignment shall be subject to the following provisions; and be made within one month from the date of confirmation of these Resolutions.

(*a*). That the said Mysore Spinning and Manufacturing Company, Limited, shall enter into an undertaking or covenant with the said Liquidator or Liquidators to perform and fulfil all Agreements, Contracts, Engagements and Obligations, to pay satisfy and discharge all Mortgages, Debts and Liabilities of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, existing on the date of the transfer, and to indemnify the said last named Company, Limited, against the same.

(*b*). That the said Mysore Spinning and Manufacturing Company, Limited, shall procure Messrs. P. CHRYSTAL and Co., of Bombay, Agents for the Southern Mahratta Spinning and Weaving Company, Hubli, and to enter into an agreement with the said last named Company, whereby the Firm of Messrs. P. CHRYSTAL and Co., howsoever constituted, shall be appointed and shall agree to become Agents of the said last named Company for a period of 25 years from the date of the Registration of the Mysore Spinning and Manufacturing Company, Limited, and upon the terms amongst others (1) that the said Messrs. P. CHRYSTAL and Co. shall agree to charge the said Mysore Spinning and Manufacturing Company, Limited, commission only at the rates following :—

They shall charge—

1 pie per pound on the yearly production of yarn, whether any profit is made by the Company or not.

1½ pies per lb. on the same if a profit of 4 per cent. and less than 6 per cent. is made.

2 pies per lb. on the same if a profit of 6 per cent. and less than 9 per cent. is made.

3 pies per lb. on the same if a profit of 9 per cent. or more is made.

(2). That the said Messrs. P. CHRYSTAL and Co. agree to procure for the said Mysore Spinning and Manufacturing Company, Limited, from time to time whatever money may be required for the efficient working of the Mill during the period for which the said firm shall be the Agents of the said Company, the loans being taken in the name of the said Company and secured by a first lien or charge on the floating stock of the said Company, and (3) that the said Messrs. P. CHRYSTAL and Co. guarantee payment of an annual dividend of Rs.12 per cent. upon every share of Rs.250 each and of Rs50 respectively of the said Mysore Spinning and Manufactnring Company, Limited, which shall have been exchanged for five shares or one share out of the 575 shares of the Maharaja of Mysore Spinning and Manufacturing Company, Limited, in respect of which last mentioned shares a similar guarantee by Messrs. JAMES SCOTT and Co. now exists. The guarantee of the said Messrs. P. CHRYSTAL and Co. to be given in substitution for and to continue during the unexpired period of the existing guarantee given in respect to the said 575 shares in the Maharajah of Mysore Spinning and Manufacturing Company, Limited, by the said Messrs. JAMES SCOTT and Co., no collateral security for the performance of such guarantee shall be required from Messrs. P. CHRYSTAL and Co, and that the guaranteed Shareholders accept Messrs. P. CHRYSTAL and Co., in place of Messrs. JAMES SCOTT and Co., and yield up the shares lodged in the Bangalore Bank to Messrs. JAMES SCOTT and Co.

(3). That in the allotment of shares in the said Mysore Spinning and Manufacturing Company, Limited, over and above the shares which are to be allotted to the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, as aforesaid, the said Mysore Spinning and Manufacturing Company Limited, shall to all Shareholders in the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, who may apply for an allotment of any shares in the said Mysore Spinning and Manufacturing Company, Limited, give preference over all other applicants.

Carried unanimously.

4. *Proposed* by Mr. S. NARAYNSAWMY IYER and *Seconded* by Mr. S. SHAMANNA :— That the following statement contained in a letter addressed by Messrs P. CHRYSTAL and Co. to Messrs. JAMES SCOTT and Co., Agents of the Maharajah of Mysore Spinning and Manufacturing Company, Limited, dated 28th October 1893, be recorded :—

"So far as we are concerned you may rest assured that we shall be ready and willing to take over charge as soon as the Liquidators may be able to carry out the terms as set out in the circular and notice above-mentioned."

5. *Resolved* that the Directors be requested to call a Meeting for the confirmation of this day's proceedings, on Saturday, the 11th November 1893, at 2 P.M.

6. With a vote of thanks to the Chairman the Meeting was dissolved.

(Signed) B. STREENEVASIENGAR,
Chairman.

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED.

At an EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED, held at the Registered Office of the Company, on Saturday, the 11th November, 1893, at 2 P.M.

Present.

B. STREENIVASIENGAR, Esq., *Chairman.*
J. G. SCOTT, Esq.
A. J. MOLLOY, Esq.
B. GUNGIAH, Esq.
Colonel TABUTEAU.
SANKARAPA, Esq.
R. CHARLESWORTH, Esq.
T. B. LAKCHMIAH, Esq.
J. C. STAFFORD, Esq.
Subedar-Major SHAIK DAVOOD.

Read Notice of 1st November 1893, convening the Meeting and Resolutions annexed thereto.

1. That the Maharajah of Mysore Spinning and Manufacturing Company, Limited, be wound up voluntarily under the provisions of the Indian Companies' Act X of 1866, and reconstructed at the same time.

Carried by a majority of votes (Col. TABUTEAU and Mr. B. GUNGIAH, dissenting.)

2. That Messrs. JAMES SCOTT and ISAAC ALCOCK, who have offered to serve without remuneration, be and are hereby appointed Liquidators, and authorised to avail themselves of the services of Messrs. BILIGIRI IYENGAR and B. STREENIVASIENGAR, on a remuneration of Rs.400 and Rs.300 respectively.

Carried by a majority of votes (Colonel TABUTEAU dissenting.)

3. That pursuant to the provisions of the Indian Companies' Act X of 1866, the Liquidators be and they are hereby authorised and empowered to sell, assign, transfer and make over unto a certain Joint Stock Company with limited liability intended shortly to be formed and registered in Bombay, under the provisions of Act VI of 1882, and to be called the Mysore Spinning and Manufacturing Company, Limited, having a capital of Rs,7,00,000, divided into 2,500 shares of Rs.250 each, and 1,500 shares of Rs.50 each, all the Lands, Buildings, Hereditaments, Machinery, Fixtures, Effects, Assets, Rights, Credits, Business, Goodwill, and the other property, movable and immovable, of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, and to receive as the consideration for such sale, assignment, and transfer as aforesaid, the certificates of as many fully paid-up shares of either Rs.250 each or Rs.50 each as would cover the amount of Rs.2,21,500 in the said Mysore Spinning and Manufacturing Company, Limited, for distribution amongst the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, in voluntary Liquidation, in the proportion of one such share of Rs.250 each for every five shares of Rs.100 each, or of one such share of Rs.50 each for every one share of Rs. 100 each, respectively, held by the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, in that Company.

That until such sale or transfer is effected and the Liquidators formally deliver over charge of the Mill to the said New Company, the present Agents, under orders of the Liquidators, be hereby authorized to carry on the business of the Mill as heretofore. Such sale transfer and assignment shall be subject to the following provisions, and be made within one month from the date of confirmation of these resolutions :—

(*a*). That the said Mysore Spinning and Manufacturing Company, Limited, shall enter into an undertaking or covenant with the said Liquidator or Liquidators to perform and fulfil Agreements, Contracts, Engagements, and Obligations to pay, satisfy and discharge all mortgages, debts, and liabilities of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, existing on the date of the transfer and to indemnify the said last named Company, Limited, against the same.

(*b*). That the said Mysore Spinning and Manufacturing Company, Limited, shall procure Messrs. P. CHRYSTAL and Co., of Bombay, Agents for the Southern Mahratta Spinning and Weaving Company, Hubli, and to enter into an agreement with the said last named company whereby the firm of Messrs. P. CHRYSTAL and Co., however constituted,

shall be appointed and shall agree to become Agents of the said last named Company, for a period of 25 years from the date of the Registration of the Mysore Spinning and Manufacturing Company, Limited, and upon the terms among others :—(1) that the said Messrs. P. CHRYSTAL and Co., shall agree to charge the said Mysore Spinning and Manufacturing Company, Limited, commission only at the rates following :

They shall charge—

1 pie per lb. on yearly production of yarn, whether any profit is made by the Company or not.

1½ pies per lb. on the same if a profit of 4 per cent. and less than 6 per cent. is made.

2 pies per lb. on the same if a profit of 6 per cent. and less than 9 per cent. is made.

3 pies per lb. on the same if a profit of 9 per cent. or more is made.

2. That the said Messrs. P. CHRYSTAL and Co. agree to procure for the said Mysore Spinning and Manufacturing Company, Limited, from time to time whatever money may be required for the efficient working of the Mill during the period for which the said firm shall be the Agents of the said Company, the loans being taken in the name of the said Company and secured by a first lien or charge on the floating stock of the said Company, and (3) that the said Messrs. P. CHRYSTAL and Co. guarantee payment of an annual dividend of Rs.12 per cent. upon every share of Rs.250 and of Rs.50 respectively of the said Mysore Spinning and Manufacturing Company, Limited, which shall have been exchanged for five shares or one share out of the 575 shares of the Maharajah of Mysore Spinning and Manufacturing Company, Limited, in respect of which last mentioned shares of similar guaranteed by Messrs. JAMES SCOTT and Co., now exists. The guarantee of the said Messrs. P. CHRYSTAL and Co. to be given in substitution for and to continue during the unexpired period of the existing guarantee given in respect to the said 575 shares in the Maharajah of Mysore Spinning and Manufacturing Company, Limited, by the said Messrs. JAMES SCOTT and Co., no collateral security for the performance of such guarantee shall be required from Messrs. P. CHRYSTAL and Co., and that the guaranteed Shareholders accept Messrs. P. CHRYSTAL and Co. in place of Messrs. JAMES SCOTT and Co., and yield up the shares lodged in the Bangalore Bank to Messrs. JAMES SCOTT and Company.

(c). That in allotment of shares in the said Mysore Spinning and Manufacturing Company, Limited, over and above the shares which are to be allotted to the Shareholders of the said Maharajah of Mysore Spinning and Manufacturing Company, Limited, as aforesaid the said Mysore Spinning and Manufacturing Company, Limited, shall to all Shareholders in the said Maharajah of Mysore, Spinning and Manufacturing Company, Limited, who may apply for an allotment of any shares in the said Mysore Spinning and Manufacturing Company, Limited, give preference over all other applicants.

Carried by the majority of votes (Colonel TABUTAEU, Messrs. B. GUNGIAH and Subadar-Major Shaik Davood dissenting.)

4. That the following statement contained in a letter addressed by Messrs. P. CHRYSTAL and Co., to Messrs. JAMES SCOTT and Co., Agents of the Maharajah of Mysore Spinning and Manufacturing Company, Limited, dated 28th October 1893, be recorded :—

"So far as we are concerned you may rest assured that we shall be ready and willing to take over charge as soon as the Liquidators may be able to carry out the terms as set out in the circular and notice above mentioned."

(Signed) B. STREENEVASSIENGAR,
Chairman.

CANC

(General Serial No. 31.)

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13 FEB.

1894. 94133.

From The Asst Govt Advocate in Mysore

To The Chief Secretary to Govt Devanhalli Mysore

Dated 12th February 1894

Despatched

Received

Enclosures No. 1 File always cent.

General No. 189
No.

Submitting report in connection with the Mahe Rajah of Mysore Spinning & Manufacturing Company —

8l. no 6

G. Ref.
13/2/94

Subl for orders
17/2/94

Assistant Govt Advocate
Office 12th February 1894.

No 189
En: 1 file abstract.

(129)

From

The Assistant Govt Advocate
Mysore

To

The Chief Secretary to the
Dewan of Mysore

Sir,

With reference to your
Official Memorandum No 1006
G.F. 305
dated 26th December last
I have the honor to submit the
following report.

2 The Building was
started in February 1884 and
the Engines were turned in the
presence

presence of large number of Share holders & others on the 29th October 1885. When all the Machinery Connected with the Engines was found to work well & Smoothly. The Subscribed Capital of the Company is 4,50,000 Consisting of 4500 Shares. The paid up Capital upto the end of December 1885 was ~~Rs~~: 4,03,400 & now it is ~~Rs~~ 4,43,000.

3 The Mill began to work on the 1st April 1886 but the whole of the Machinery was only brought into work by instal ments and it was not until July 1886 that the Mill was in full operation. The Company was unfortunate in not having been

been able to secure a thoroughly
efficient Manager. The first
Manager came out from England
but was dismissed on grounds
of incompetency. He filed a
suit against the Company for
Rs 14000 being the balance of
his 3 years pay. In this however
he was not successful. His
successor was a very competent man
but unfortunately died from small
pox within a few weeks after taking
up the appointment. Another Manager
was then appointed but his services
have recently been dispensed
with as the Statements of Produc
tion of Yarn which he certified
as being produced daily, were
incorrect

incorrect & thereby leading the
Directors to believe that the Company
was making a large profit—
The defective management
taken in connection with the
difficulties of training new
hands to work in a new dis
trict and of importing work
men from Bombay & Madras
also largely contributed to
the loss

4 The first years working
was only a loss of 18426, the
2nd years working a profit of
82384 & the 3rd year 1888 a
profit of 50627 though Cotton
was Cheaper during the 1st & 2nd

Yours

years of the working of the Mill.

5 The Company secured the services of a Manager, who had a record of very successful management on other Mills in India and the Directors then found that the Mill was reorganised and its production increased. The Agents of the Company hold 2 lacs of the Company's Shares and have guaranteed dividends of 1 lac of guaranteed Shares.

6 In 1886 the Company borrowed 1 lac from Cowasjee Jehangheer of Bombay at 8 3/4 per cent interest from the working Capital

21.

(i)/
It was in 1888 & only that year and not before or after a dividend of 7 per cent/ per annum was declared by the Directors.

7. The Company borrowed in 1888, 2 Lacs of Rupees from the Mysore Government & by means of this loan the Extension of the Mill Buildings was Com: pleted and the additional 4732 Ring Spindles with the necessary accessories obtained from the best makers with all the latest improvements were erected. The number of Spindles at work in 1886 was 10370-

8 There was a small loss for the 1st Six months of 1889 and a small profit for the last

6 months working.

9. In 1890 the Company borrowed 5000 Rs from the Mysore Govt in addition to the previous loan of 2 lacs - Notwithstanding the loan the Company had no working Capital and had to borrow large sums of money at rates of interest ranging from 9 to 12 per cent. The Company borrowed from the late Mr Venkat Varadappa Rs 165300 paying interest for 40 days Rs 1562-4-2 and Commission Rs 760-10-7. There was no profit this year but loss

10 In the year 1891 there was a profit of Rs 14627-12-3. This amount was reserved against the loss

47

loss of Rs 18124-9-" incurred in 1890- The Company raised a further loan of 120000 Rs in 1891 issuing 7 1/2 per cent. Debentures and the debts due by the Company on the 31st December 1891 were as follows:-

2,30,000-"-"	To Government. 20,000 having been repaid-
1,20,000-"-"	To 7 1/2 per cent. Debenture holders
100000-"-"	To 9 per cent. debt. due to Mr Venut. Varada Iyengar
69162-2-"	To Sundry Creditors.

The amount borrowed from Mr S. Venut Varada Iyengar which was more than completely Secured by the floating Stock that

that had been given to him as
security for the loan was only
used for the working Capital,
while the amount of debt due
to Government & the Debenture
-holders who hold a 2nd Mortgage
of the Building Machines and
Plants the prior lien being en-
under the Govt was Chiefly used
for the extension of the Mill
Buildings & plant & especially
in 1891 in the Substitution of
the more economical and
productive ring Spindles for
the Mule Frames, Debentures
to the value of 2½ Lacs were
offered to the Shareholders
in 1891.

The

The loss in the 1st half year of 1892
was Rs: 14607-5-3 and the profit
for the 2nd half year was Rs: 16547-15-3
The loss was owing to a severe local
famine which compelled the Company
to draw its cotton from very long
distances viz Bombay, Tinnavelly
Coimbatore & other places thus
increasing its price very considera-
:ably and in 1891 the Government
of the Mill was absolutely and
totally destroyed by Mr Clarke
the late Manager by his neglect
& misconduct and consequently
he was compelled to vacate. Another
European succeeded him in the
beginning of 1892. The Company
was obliged to dispense with the

Services

Services after 4 months trial. Again
Mr Needham a European from
Bombay was employed. He was
a very practical Spinner but was
unfortunately Layed in bed with
heart disease & Paralyses on one
side & therefore had to be sent to
England at once, after only work
:ing for 3 weeks.

12. Mr Rose, who had been
A Manager for the Gorkwar of
Baroda Mill for 7 years
was then engaged, and only
worked 15 days when he became
indisposed and died after 76
days suffering from Abcess on
the Liver. He was succeeded
by Mr Chudderton a good
practical

practical Mullman from Bombay
who arrived here on the 2nd February.
All these incidents & Calamities
happened within 1 year.

13 The Company has extended
its property more than double the
capacity it was when first started
which has all been borrowed Capital
: ing borrowed Capital for extension
with working Capital it amounts
to about 6 Lacs of Rs: for which
heavy interest has always been
duly & punctually paid which
in itself is equal to a dividend
of 8 per cent per annum

14. Debentures were issued to the
extent of 1,88,000 Rs: which had
been utilized to pay a part of
Government loan thereby reducing
the

the Government loan from Rs 250,000
to 215,000 & the reduction of loan
for working Capital from 165,300
borrowed from Mr Vincent Varadayyas
to Rs 98189-5-6.

15. The debts due by the Company
at the end of 1892 is as follows:-

Mysore Government Loan Rs 215,900--
Mr S. Vincent Varadayyas - 98,189-5-6
Messrs James Scott & Co
Manchester — } 50,000---
Sundry Creditors 46508-3-1
Debenture Loan 188,000---

16. The Company incurred a
loss of Rs 30,032-2-- for the
first 1/2 year ending 30th June
1892 including the loss in
1891

in 1891 - and had a profit of ~~Rs~~ Rs 16547-15-3 for the 2d half year. The Agent is paid a Commission of 3 pies on every ℔ on the yearly production of Yarn whether the Company has made any profit or not & his Commission for the several years is as follows:-.

For the years 1888, Rs 7,200
" do 1889 2" 1,129-1-"
at 10 per cent on the profits
For the year 1890. 25149-5-8
do 1891. 18724-5-3
" 1892. 22151-5-6

The interest paid during the several years is as follows:-

For the year 1885 Rs. 512-8-9
do 1886 " 8507-"-"
" 1887 " 11430-2-7
" 1888 " 11774-6-8
" 1889 " 22373-2-8
" 1890 " 33112-14-4
" 1891 " 35648-4-"
" 1892 " 39941-11-5

2m

17. In the year 1893 the Company called an Extraordinary General Meeting of the Share-holders in View to effect a Change in the Agency. The Company through its Agent has entered into negotiations with Messrs P. Chuyotal & Co of Bombay Agents for the Southern Mahratta Spinning & Weaving Co who it is under stood will procure working Capital at less favorable rates of interest & who has agreed to Charge Commission only at the rates following:-

1 pie per lb on the yearly produce of Yarn Whether any profit

profit is made by the Company
or not

1 1/2 pies per ℔ on the Same if a
profit of 4 per cent. and less
than 6 per Cent. is made.

2 pies per ℔ on the Same if a
profit of 6 per Cent. and less than
9 per Cent. is made.

3 pies per ℔ on the Same if a
profit of 9 per Cent. or more is made

18. The Company at a Meeting
held on Saturday the 28th October
1893 passed Resolutions by one
of which the present Share of
100 Rs each is to be exchanged
for 1 Share of 50 Rs each, Virtually
reducing the value of each Share
from

from 100 to 50 Rs The Said
Messrs P. Chyptal & Co.
guaranteed an annual
dividend of 12 Rs per cent
upon the reduced amount
of Shares in respect of which
a Similar guarantee by
Messrs J. Scott & Co. now exists.
575 are the Shares held by
guaranteed Share-holders
of which 249 Shares nearly
1/2 are held by Col: Le Messurier
100 by Col: W. W. Woodward
78 by Col: J. R. Tabuteau
61 by Mrs E. L. Gerrity.
All the rest are the Sundry
Share-holders. 6 persons
holding

57

10 Shares each.

19. A Circular was issued to all Shareholders & Debenture-holders intimating to them fully the propositions proposed & carried at an Extraordinary General Meeting held on 20th October 1893 & Confirmed at a Meeting held on 11th November 1893. Only 2 Shareholders — Colonel Tabuteau & Mr B. Gunga dissented to the first proposition of the Company being wound up voluntarily and reconsidered at the same time To the Second proposition appointing Liquidators Colonel Tibuteau alone dissented. To the 3rd proposition which contains the details for the reconstruction of the new Company the said

two

two gentleman & Subedar Major
Sheik Dawood dissented

20. The new Agents are expect
:ed to take Charge of the Mills
shortly. The average yearly
Commission for the Agent. for the
years 1890, 1891 & 1892 is Rs 22,008
According to the present arrangement
there would be a Saving of 2/3rds of
which amounts to Rs 14,638.
This amount by itself will yield
a dividend of nearly 3 1/2 per cent.
on the nominal value of old Shares
& 7 per cent. on the real value of
the present Shares. There will
also be a reduction in the item
of interest which will increase the
above dividend. The Shareholders

May

may fairly expect a dividend of about 5 per cent. for the present with a prospect of gradual increase in course of a few years.

21 The Company has been regular in the payment of interest to the Government, Debenture holders & other Creditors with the Change of Agency which is expected the principal due to Govt may be paid by instalments

22. As Deputy Commissioner I find no time to do justice to this appointments as the Government Directors of the Company I would Suggest the appointment of Some other Govt Officer who can devote time as the Govt holds

holds 250 Shares and besides
a Creditor to the extent of Rs
2,15,900. The Deputy Commissioner
of Bangalore has been Govt.
Director from the Commencement
of the formation of the Company.

23 The new Company proposes
to execute a deed of Mortgage
to the Govt. for the debt of 2,15,900
Rs now due. If a fresh document
is executed it will destroy the effect
of the priority of the Govt. lien as
the Debenture-holders hold a
2nd Mortgage of the same property.
If a fresh document be executed
this Mortgage will have a
priority.

If

If the new Company does not take Charge of the Mills, it will be necessary for the Government to file a suit and to recover the amount by the Sale of the Mortgaged property. The full amount can be recovered by the Sale of the property in its present condition. If the new Company does not take Charge & if there be a delay in the action to be taken by the Government for the recovery of the money, there may be some difficulty for recovering the full amount. At the present moment the Shares of the Company are practically unsaleable

unsaleable and as the Company cannot obtain fresh working Capital the Company cannot carry on its business. The Company at present is wound up with a view to reconstruction if it were otherwise it will be disastrous and the Share-holders in respect of their Shares and the Debenture holders would also be subjected to loss.

24. As directed I have also forwarded a copy of this report to the Deputy Commissioner of Bangalore.

25. The entire file Connected with the matter under reference is herewith returned.

* Already returned

(3)

I have the honor to be

Sir

Your most obedient Servt.

S. Rodman Mackay

Assistant Surgeon

(General Serial No. 30.)

OFFICE OF T...
13928
11 6 MAR 94
DEWAN OF MYSORE

18

From The Dy Commissioner
Bangalore District

To

The Chief Secretary to the Dewan
of Mysore.

Dated 15th March 1894

Despatched

Received

Enclosures No.

General No.
No. 1072

In reply to Proceedings of Govt.
No. 6373-5 and 10066 dated
SUBJECT
G.T. 306-92 G.T. 305-92
30th September and 26th December
1893 respectively —

Reporting on the Maha
Raja of Mysore Spinn
and Manufacturing
Company Limited —

G. 16/3/94

References (to be entered only in the Dewan's Office).

G.T. 305-92 (about Maharajas mills) has been sent to Mr. Srikanteswariar on 7.3.94

16/3. Send this Dhee in Copy

The file is read since, and put up.
16/3 Subd.
19.3.94

16/3/94

98.7

D.No. 1072 — Dy. Commissioners Office,
Bangalore District 65

Dated Bangalore 14th March 1894.

From,

The Dy. Commissioner,
Bangalore District,

To,

The Chief Secretary to the
Dewan of Mysore,
Bangalore.

Sir,

In reference to the Proceedings of Government Nos. 6373-5-✓ G.F. 305-92 and 10066 G.F. 305-92 dated 30th September and 26th December 1893 respectively regarding the Maharaja of Mysore Spinning and Manufacturing Company (Limited), I have the honor to report that the Government Advocate has sent me a copy of the report which he has sent to the Government. I have since ascertained from the Comptroller that the balance of Principal due by the Company to Government is 2,15,900/- R.s

Paper No. 119 — do — 127 in GF 305-92

66

and Interest due up to 31st December 1893 is Rs. 70,44/- The security which the Government has is the mortgage of the buildings and machinery and the assignment of Fire Insurance Policies on the buildings to the value of 2,51,000/- Rs. Unless a satisfactory arrangement can soon be made for the future management of the affairs of the Company, I am decidedly of opinion that the sooner the Government takes steps to recover its dues the better.

I have the honor to be,
Sir,
Your Most Obedient Servant.
[illegible]
Asst Commissioner
[illegible]

(General Serial No. 30.)

1894.

From

Messrs P. Chuyetal & Co
Agents, The Mysore Spinning & Manfg Co (Ld)

To Bombay -

Dated 22nd Feb 94.

Despatched

Received 1/3/94.

Enclosures No.

General No.

No.

Requesting that they may be favored with an order confirming the concessions promised by the Dewan on 2nd Feb/94 in re the Mysore Maharaja's Mills, Bangalore -

38

P. Chrystal & Co.,
AGENTS.

The Mysore Spinning & Manufacturing Company, Limited.

(30)

Bombay, 22nd February 1894.

To
His Excellency Sir K. Sheshadri Iyer K.C.S.I.
Dewan of Mysore

Your Excellency,

After the protracted negotiations of the past few months, we have much pleasure in informing Your Excellency today that the Mysore Spinning and Manufacturing Company Limited is an accomplished fact. It was registered under the 20th inst under the Indian Companies Act X of 1882, and immediately thereafter we took over charge of the Mill from the Liquidators of the old Maharajah of Mysore Spinning and Manufacturing Company, Limited. For some weeks past the Mill had been stopped but upon taking charge, we at once telegraphed to Bangalore to resume spinning and weaving operations.

We will now take the liberty of referring to the interview we had with Your Excellency on the 2nd inst on which occasion Your Excellency was pleased to promise us as follows:-

(A) A subscription of Rs 25000.- towards the Capital of the Company, equivalent to 100 fully paid up shares in the same.

(B) A reduction to 5% of the interest payable on the Mysore Government loan of Rs 215,900.-

(C) Permission to repay the aforesaid loan by annual instalments (due on the 31st December of each year) of Rs 21500 from which the interest for the year being first deducted, the balance is to go towards liquidation of the Capital debt.

Ch - dcs - Please peruse draft very kindly & see us at 5 P.M. today if you can. Yrs. sincerely

(69)

P. Chrystal & Co.,
AGENTS.

The Mysore Spinning & Manufacturing Company, Limited.

Sir K. S. Iyer. K.C.S.I.

Bombay, 22nd February 1894.

We shall thank you to confirm the above on an early date to enable us to place your reply before the Board of Directors of this Company and have it formally recorded.

3. We here take the liberty of further asking Your Excellency for a letter to this Company clearly setting out what was already stated in your Chief Secretary's letter of 15th June 1893 to the address of Messrs Scott & Co. that the Mysore Government mortgage does not cover the floating stock (Yarn, Cotton, Cloth, Fuel and Stores) of the Company and that so far as that Government is concerned, such stock is at present free and unencumbered.

4. And finally, if Your Excellency will permit it, we would request your leave to embellish the share certificates of the Company with a likeness (in bust) of yourself. Knowing as we do all that Your Excellency has done for the Maharajah of Mysore Spinning and Manufacturing Company from its inception up to and even after it went into liquidation and the encouragement the new company has received at your hands, we trust that you will not object to the manner in which we desire to show our appreciation of the interest which Your Excellency has evinced in the concern. In this case we would request you to be so good as to send us a carte-de-visite photograph of yourself on an early day.

Ask them kindly to omit this

We have the honour to be
Your most obedient servants
P. Chrystal & Co
Agents

Read

Letter dated 2d Feby 1894 from Messrs P. Chrystal & Co, Bombay, stating that arrangements have been completed to take over the management of the Maharaja of Mysore Spinning and Manufacturing Company's Mill at Bangalore from Messrs Scott and Co, and requesting to be informed whether the promises of the Mysore Govt to subscribe Rs: 25000/- towards the capital of the new Company may be published in the Circular intended to be issued by them with the view of raising fresh capital, and soliciting a reduction in the rate of interest.

SC 9

71

on the debt due to Govt.

Letter dated 22nd July 1894 from the Bank, stating that they have taken charge of the Mill in question from the Liquidators of the Maharaja of Mysore Spinning and Manufacturing Co. and have resumed work of the Mill, and requesting orders as to the terms of repayment of the debt due to the Govt.

Order:— As 1870-71. & 1894-95 15-3-94 17

The Government have already promised to take Shares in the new Company (the Mysore Spinning and Manufacturing Co. Ltd.)

of the value of Rs: 25000/-
and they have no objection
to this proviso being
published.

The debt of Rs: 2,15900
still due to the Mysore
Govt by the old Company
upon a mortgage of
the Mills should be
repaid by the new Comp.y
by annual payments of
Rs: 21,500. From each
such payment, the
interest due will be
first deducted and
the balance applied
towards reduction of
the principal.

The rate of interest
will be reduced from

23

6 per cent to 6 per cent
from the 1st February 1894.

It will be understood that the security of the Mysore Govt ~~will only hold~~ for their loan does not include the floating stock, such as yarn, cotton, cloth, fuel and stores.

Under the above arrangement the debt will be discharged in 15 years.

This has been agreed to as per Mr. Thorpe's letter (vide also paper No. 16).

15/3/94

Yrs
8/3/94

Chf Secy

To Messrs P. Thorpe & Co.
Bankers

Mysore

(General Serial No. 30.)

OFFICE OF THE
14434
26 MAR 94
DEWAN OF MYSORE

1894 G 4936

From The Agents,

Mysore Spinning and Manufacturing Company Limited, Bombay

To *The Chief Secretary to the Dewan of Mysore.*

Dated

Despatched 20th March/94

Received

Enclosures No.

General No.

No.

SE 10

Acknowledging the receipt of No. 15470-1 G.7.305-92 of 15th March/94, with thanks, and stating that they regret that the Dewan could not see his way to allow them to embellish the share certificate with his likeness.

References to be marked.

M. G. C. Press, Bangalore.—3-2-94.—3000.

4

P. Chrystal & Co.,
AGENTS.

The Mysore Spinning & Manufacturing Company, Limited.

Bombay, 20th March 1894.

To The Chief Secretary
to His Excellency the Dewan of Mysore.

Sir,

We are in receipt of your No. 15470-1 / G.J. 305-92 of the 15th inst.; also that of the Assistant Commissioner of the same date.

In reply we have to request you to convey to His Excellency the Dewan our best thanks for the same. Our only regret is that His Excellency could not see his way to allow us to embellish the share certificates with his likeness.

We have the honour to be
Sir
Your most obedient servants.

FOR THE MYSORE SPINNING & MANUFACTURING CO. LTD.
P. Chrystal & Co
AGENTS